

Subpart D—Contract Rights and Obligations—Projects

PROJECT MORTGAGE INSURANCE

- 220.751 Cross-reference.
- 220.753 Forbearance relief.
- 220.760 Payment of insurance benefits.
- 220.765 Special insurance benefits—forbearance relief cases.

INSURED PROJECT IMPROVEMENT LOANS

- 220.800 Definitions.
- 220.801 Initial insurance endorsement.
- 220.802 Final insurance endorsement.
- 220.803 Effect of insurance endorsement.
- 220.804 Insurance premiums.
- 220.804a Mortgagee's late charge.
- 220.805 Termination of insurance.
- 220.806 Pro rata refund of insurance premium.
- 220.810 Definition of default.
- 220.811 Date of default.
- 220.812 Notice of default.
- 220.813 Commissioner's right to require acceleration.
- 220.814 Election of action.
- 220.820 Maximum claim period.
- 220.821 Items to be filed on submitting claim.
- 220.822 Claim computation; items included.
- 220.823 Claim computation; items deducted.
- 220.830 Debenture interest rate.
- 220.832 Maturity of debentures.
- 220.834 Registration of debentures.
- 220.836 Form and amounts of debentures.
- 220.838 Redemption of debentures.
- 220.840 Issue date of debentures.
- 220.842 Cash adjustment.
- 220.850 Assignment of insured loans.

Subpart E—Servicing Responsibilities—Homes

- 220.900 Cross-reference.

AUTHORITY: 12 U.S.C. 1713, 1715b, 1715k; 42 U.S.C. 3535(d).

SOURCE: 36 FR 24573, Dec. 22, 1971, unless otherwise noted.

Subpart A [Reserved]

Subpart B—Contract Rights and Obligations—Homes

§ 220.251 Cross-reference.

(a) All of the provisions of subpart B, part 203 of this chapter covering mortgages insured under section 203 of the National Housing Act apply to mortgages covering 1- to 11-family dwellings insured under section 220 of the National Housing Act, except the following:

- Sec.
- 203.258 Substitute mortgagors.
- 203.259 Scope.
- 203.280 One-time MIP.
- 203.281 Calculation of one-time MIP.
- 203.282 Mortgagee's late charge and interest.
- 203.283 Refund of one-time MIP.
- 203.340 Conditions of special forbearance relief.
- 203.342 Recasting of mortgage.
- 203.343 Partial release, addition or substitution of security.
- 203.350 Assignment of defaulted mortgage—ingeneral.
- 203.350a Assignment of defaulted mortgage.
- 203.351 Application for insurance benefits and fiscal data.
- 203.353 Certification by mortgagee.
- 203.400 Method of payment.
- 203.402a Reimbursement for uncollected interest.
- 203.420 Nature of Mutual Mortgage Insurance Fund.
- 203.421 Allocation of Mutual Mortgage Insurance Fund income or loss.
- 203.422 Right and liability under Mutual Mortgage Insurance Fund.
- 203.423 Distribution of distributive shares.
- 203.424 Maximum amount of distributive shares.
- 203.425 Finality of determination.
- 203.438 Mortgages on Indian land insured pursuant to section 248 of the National Housing Act.
- 203.439 Mortgages on Hawaiian home lands insured pursuant to section 247 of the National Housing Act.
- 203.439a Mortgages on property in Allegany Reservation of Seneca Nation of Indians authorized by section 203(q) of the National Housing Act.

(b) For the purposes of this subpart, all references in part 203 of this chapter to section 203 of the act shall be construed to refer to section 220 of the act, and all references to the Mutual Mortgage Insurance Fund shall be construed to refer to the General Insurance Fund.

[36 FR 24573, Dec. 22, 1971, as amended at 42 FR 29304, June 8, 1977; 48 FR 28807, June 23, 1983; 51 FR 21874, June 16, 1986; 52 FR 8069, Mar. 16, 1987; 52 FR 28470, July 30, 1987; 52 FR 48203, Dec. 21, 1987; 53 FR 9869, Mar. 28, 1988; 55 FR 34808, Aug. 24, 1990]

§ 220.252 Forbearance of foreclosure and assignment of mortgage.

All of the provisions of §§ 203.340 through 203.342, 203.350, 203.352 and 203.353 of this chapter shall apply to mortgages insured under this subpart, except that the provisions relating to forbearance of foreclosure, recasting of

the mortgage and assignment of a defaulted mortgage, shall be applicable only to a mortgage covering a property having not more than four dwelling units.

§ 220.253 Substitute mortgagors.

(a) *Selling mortgagor.* The mortgagee may effect the release of a mortgagor from personal liability on the mortgage note only if it obtains the Commissioner's approval of a substitute mortgagor, as provided by this section.

(b) *Purchasing mortgagor.* (1) The Commissioner may approve a substitute mortgagor with respect to any mortgage insured under subpart A of this part, if the substitute mortgagor is to occupy the dwelling as a principal residence or a secondary residence (as these terms are defined in § 220.30(d)).

(2) The Commissioner may approve as a substitute mortgagor an eligible non-occupant mortgagor (as defined in § 220.30(d)) with respect to any mortgage insured under this part, only if the outstanding balance of the mortgage does not exceed the Commissioner's estimate of:

(i) The replacement cost of the property as of the date the mortgage was originally accepted for insurance, or the date the substitute mortgagor is approved by the Commissioner, whichever is greater, in the case of a dwelling described in § 220.30(a) (1) or (2); or

(ii) The cost of repair or rehabilitation, plus the Commissioner's estimate of the replacement cost of the property as of either the date the mortgage was originally accepted for insurance, or the date the substitute mortgagor is approved by the Commissioner, whichever is greater, in the case of a dwelling described in § 220.30(a) (3) or (4).

(c) *Applicability—current mortgagor.* Paragraph (b) of this section applies to the Commissioner's approval of a substitute mortgagor, only if the mortgage executed by the original mortgagor met the conditions of § 203.258(c) of this chapter.

(d) *Applicability—earlier mortgagor.* The occupancy and similar requirements set forth in § 203.258(d) of this chapter apply to mortgages insured under subpart A of this part.

(e) Mortgagees approved for participation in the Direct Endorsement pro-

gram under § 203.3 may, subject to limitations established by the Commissioner, themselves approve an appropriate substitute mortgagor under this section for mortgages which they own or service, and need not obtain further specific approval from the Commissioner.

(f) *Definition.* As used in this section, the term *substitute mortgagor* includes: (1) Persons who, upon the release by a mortgagee of a previous mortgagor from personal liability on the mortgage note, assume this liability and agree to pay the mortgage debts; and (2) persons who purchase without assuming liability on the mortgage note, or purchase where no release is given by the mortgagee to the previous mortgagor.

[55 FR 34808, Aug. 24, 1990, as amended at 57 FR 58351, Dec. 9, 1992]

§ 220.275 Method of paying insurance benefits.

If the application for insurance benefits is acceptable to the Commissioner, all of the insurance claim shall be paid in cash unless the mortgagee files a written request with the application for payment in debentures. If such a request is made, all of the claim shall be paid by issuing debentures and by making a cash payment adjusting any differences between the total amount of the claim and the amount of the debentures issued.

INSURED HOME IMPROVEMENT LOANS

§ 220.350 Cross-reference.

(a) All of the provisions of §§ 203.440 through 203.495 of this chapter covering insured home improvement loans under section 203(k) of the Act shall apply to home improvement loans on one-to-four family dwellings under section 220(h) of the Act, except as set out in paragraph (b).

(b) The provisions of §§ 203.473(a) shall not be applicable to home improvement loans on one-to-four family dwellings under section 220(h) of the Act.

[52 FR 1330, Jan. 13, 1987]